

AMENDED IN SENATE JANUARY 10, 2012

AMENDED IN SENATE MAY 10, 2011

**SENATE BILL**

**No. 690**

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**Introduced by Senator Hernandez**

February 18, 2011

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An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10177.15 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 690, as amended, Hernandez. Health care coverage: discrimination.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits certain discriminatory acts by health care service plans and health insurers. Existing federal law, beginning January 1, 2014, prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable state law.

Beginning January 1, 2014, this bill would prohibit a health care service plan or health insurer from discriminating against any health care provider who is acting within the scope of that provider's license, as specified.

Because a willful violation of the bill's provisions relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1373.15 is added to the Health and Safety  
2 Code, to read:

3 1373.15. (a) Beginning January 1, 2014, no health care service  
4 plan shall discriminate with respect to provider participation or  
5 coverage under the plan against any health care provider who is  
6 acting within the scope of that provider's license or certification.

7 (b) Notwithstanding subdivision (a), this section shall not be  
8 construed to require that a health care service plan contract with  
9 any health care provider willing to abide by the terms and  
10 conditions for participation established by the plan or issuer.

11 (c) Nothing in this section shall be construed as preventing a  
12 health care service plan from establishing varying reimbursement  
13 rates based on quality or performance measures.

14 (d) This section shall be implemented ~~pursuant~~ *only to the extent*  
15 *required by the* provider nondiscrimination provisions established  
16 in Section 2706 of the federal Public Health Service Act (42 U.S.C.  
17 Sec. 300gg-5), and any federal rules or regulations issued under  
18 that section.

19 SEC. 2. Section 10177.15 is added to the Insurance Code, to  
20 read:

21 10177.15. (a) Beginning January 1, 2014, no health insurer  
22 shall discriminate with respect to provider participation or coverage  
23 under the policy against any health care provider who is acting  
24 within the scope of that provider's license or certification.

25 (b) Notwithstanding subdivision (a), this section shall not be  
26 construed to require that a health insurer contract with any health

1 care provider willing to abide by the terms and conditions for  
2 participation established by the insurer or issuer.

3 (c) Nothing in this section shall be construed as preventing a  
4 health insurer from establishing varying reimbursement rates based  
5 on quality or performance measures.

6 (d) This section shall be implemented ~~pursuant~~ *only to the extent*  
7 *required by the* provider nondiscrimination provisions established  
8 in Section 2706 of the federal Public Health Service Act (42 U.S.C.  
9 Sec. 300gg-5), and any federal rules or regulations issued under  
10 that section.

11 SEC. 3. No reimbursement is required by this act pursuant to  
12 Section 6 of Article XIII B of the California Constitution because  
13 the only costs that may be incurred by a local agency or school  
14 district will be incurred because this act creates a new crime or  
15 infraction, eliminates a crime or infraction, or changes the penalty  
16 for a crime or infraction, within the meaning of Section 17556 of  
17 the Government Code, or changes the definition of a crime within  
18 the meaning of Section 6 of Article XIII B of the California  
19 Constitution.